

**DEPARTMENT OF HEALTH AND FAMILY SERVICES
DIVISION OF HEALTH CARE FINANCING
ADMINISTRATOR'S MEMO SERIES**

NOTICE: 05-09

DATE: December 30, 2005

DISPOSAL DATE: Ongoing

RE: 2006 Medicaid Transportation,
Funeral/Cemetery and Public
Assistance Fraud Allocations –
Preliminary Notice – And Agency
Fraud Plan Instructions

TO: County Departments of Human Services Directors
County Departments of Social Services Directors
Tribal Chairpersons/Human Services Facilitators
Tribal Economic Support Directors

FROM: Mark B. Moody, Administrator
Division of Health Care Financing

PURPOSE

This memo provides notice of funding information for Medicaid Transportation, W-2 and Non W-2 Funeral and Cemetery, and Public Assistance Fraud, including Program Integrity and Fraud Investigation. These allocations are for the period January 1, 2006, through December 31, 2006 [Calendar Year (CY) 2006] for counties, and October 1, 2005, through September 30, 2006 [Program Year (PY) 2006], for tribes. This memo also provides important information about the fraud program and instructions for the CY/PY2006 Fraud Plan.

These allocations shown in this memo may change based on enactment of state or federal legislation. In addition, the implementation of the Random Moment Time Study impacts the amount of federal funding claimed for Income Maintenance (IM) programs. As a result, the amount of federal funding available for 2006 may be lower or higher than anticipated, and these funding amounts may be affected.

MEDICAID TRANSPORTATION

Allocations for Medicaid Transportation are shown in Attachment 1. Total statewide funding allocated for PY/CY 2006 is \$18.3 million. The contract level is based on an average of the combined CY/PY 2003 and CY/PY 2004 reported spending. This contract level will be used to determine pre-payment levels. Agencies that reported little or no expenses for CY/PY 2003 and CY/PY 2004 under the IM contract will receive a minimum allocation of \$500.

The Governor's veto message for the 2005-2007 biennial budget (Wisconsin Act 25) required DHFS to seek a vendor to manage MA transportation services. As a result, MA transportation may be removed as an IM activity performed by IM agencies. Should this occur during PY/CY 2006, DHFS will provide instructions about how any remaining funding for MA transportation services would be deobligated and how a final reconciliation would occur.

DHFS staff will be meeting with Directors at the Regional Human Services, Social Services and Community Program Directors meetings to discuss this initiative further.

THE WISCONSIN FUNERAL AND CEMETERY AIDS PROGRAM (WFCAP)

The contract allocations for funeral/cemetery expenses are shown in Attachment 1.

The methodology for allocating funeral/cemetery funding has not changed from 2005. The amount of funding that is available for the WFCAP allocation is budgeted at \$4.55 million statewide. For counties, this amount is 16.675 percent less than the average actual expenses incurred in 2003 and 2004. For tribes, because the tribal allocation methodology follows the county's previous years' methodology, this amount is 16.58 percent less than the average actual expenses incurred in 2003 and 2004.

The 2006 allocations for each agency are based on the average 2003 and 2004 expenses for the agency, reduced by 16.675 percent for counties, and 16.58 percent for tribes. Agencies with no expenditures in 2003 or 2004 receive the minimum allocation of \$500. This contract level will be used to determine pre-payment levels.

Should statewide expenditures exceed the \$4.55 million amount during 2006, DHFS would seek to reallocate funding into WFCAP subject to the availability of funds and approval of the administration and Legislature.

PUBLIC ASSISTANCE FRAUD PROGRAM

The Public Assistance Fraud Program allocations for Program Integrity and Fraud Investigation are shown in Attachment 2. A program revenue account supports these allocations. The revenue in this account is the state share of collections of overpayments. In 2005, these revenues were supplemented with state GPR. Based on projected program revenues for 2006, DHFS has determined that the same level of funding as was provided in 2005 is available to support these activities in 2006. DHFS will again supplement the program revenue available with state GPR.

Therefore, for CY/PY2006, \$1.8 million has been identified for both the program integrity and fraud investigation allocations. Of this amount, approximately \$1.1 million is allocated statewide for Program Integrity for CY/PY 2006, and approximately \$700,000 is allocated statewide for Fraud Investigation for CY/PY 2006. The allocation methodology has been agreed upon by the Income Maintenance Advisory Committee's Workload and Financing Sub-Committee.

For counties, each agency will receive the same Program Integrity and Fraud Investigation allocation as was provided in CY 2005.

For tribes, contracts are on a Federal Fiscal Year, which begins before the county's Calendar Year. As a result, the allocation methodology for the tribes adheres to the counties' previous year's methodology. Therefore, each tribal IM agency will receive the same PY2006 Program Integrity allocation as was provided in PY 2005. However, each tribal agency will receive a

decrease of 42% in the fraud investigation allocation from PY2005 to PY2006. Administrator's Memo 05-04 provides more details about the rationale for this decrease.

Contract overspending, using local funding as match, will be available for federal matching funds for FoodShare and Medicaid related expenditures for both Program Integrity and Fraud Investigation activities. Pre-payments will be made where appropriate.

STATE CONTRACTED PROVIDER FOR FRAUD INVESTIGATION

IMPORTANT NOTICE FOR 2006: Since 1998 the state has contracted with an investigative service provider to provide fraud investigation services for agencies that chose to use this state-contracted provider. The state contract expires on December 31, 2005. DHFS has made a decision to forego the use of a state-contracted fraud investigation provider for 2006. DHFS is working with the Income Maintenance Advisory Committee to assess this program and to make improvements to this program for 2007. As a result, each local IM agency (county and tribe) will be responsible for fraud investigations. Each local IM agency may decide to administer the program internally, or to subcontract with another entity for fraud investigations.

CY/PY 2006 FRAUD PLAN

For Calendar Year 2006, all county and tribal IM agencies are required to complete and submit a fraud plan to DHFS for CY/PY2006. A model plan is enclosed as Attachment 3 to use as a template for the CY/PY2006 plans. Agency fraud plans are due by January 20, 2006.

Please submit the fraud plan to:

Charles Billings
Department of Health and Family Services
Bureau of Eligibility Management, Room 355
P.O. Box 309
Madison, WI 53707-0309

VALIDATION OF PREVENTION PROGRAM REFERRAL CRITERIA

DHFS has made a decision to confirm the validity of the referral criteria used by local IM agencies to make prevention program referrals as part of the Program Integrity component of their Public Assistance Fraud Program. Validating the effectiveness of the error-prone characteristics that agencies have selected for their error-prone profile is a required task of administering the local PA Fraud Program. This requirement is described in the IMM at 4.0.0 and is listed in the annual Model Fraud Plan at I.A.1.a.3). Each county and tribal IM agency needs to submit to the Department a document validating their current prevention referral criteria by June 1, 2006.

To assist agencies in this task, the directions for validating agencies error-prone profiles and a model worksheet for documenting the validation process are included in Attachment 4.

October 31, 2005

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Please submit the prevention referral criteria validation information to:

Charles Billings
Department of Health and Family Services
Bureau of Eligibility Management, Room 355
P.O. Box 309
Madison, WI 53707-0309

CONTACTS

If you or your staff have any questions regarding the 2006 allocations, please contact Jodi Ross, IM Contracts Accountant, at 608-266-8409 or e-mail RossJL@dhfs.state.wi.us

If you or your staff have questions regarding the 2006 Fraud Plan, please contact Charles Billings at (608) 266-9246, FAX (608) 261-6861, or e-mail billict@dhfs.state.wi.us

MBM:my
BE01010

ATTACHMENT 1

- A. Medicaid Transportation for Income Maintenance Cases – Calendar Year/Program Year (CY/PY) 2006.
- B. TANF Eligible (W2) and Medicaid (MA) Eligible (Non W2) Funeral/Cemetery – CY/PY 2006

	A.	B.
County	CY/PY 2006 Medicaid Transportation For IM Cases	CY/PY 2006 TANF Eligible (W2) & MA Eligible (Non W2) Funeral/Cemetery
ADAMS	110,000	42,028
ASHLAND	85,400	46,325
BARRON	209,800	71,844
BAYFIELD	102,000	18,294
BROWN	59,100	111,949
BUFFALO	78,600	7,621
BURNETT	160,500	17,517
CALUMET	75,300	11,541
CHIPPEWA	130,400	55,392
CLARK	48,100	24,254
COLUMBIA	118,000	33,283
CRAWFORD	78,800	15,851
DANE	1,401,800	231,079
DODGE	129,400	29,909
DOOR	28,200	11,355
DOUGLAS	142,700	48,793
DUNN	124,800	34,093
EAU CLAIRE	197,800	90,550
FLORENCE	39,200	14,666
FOND DU LAC	103,600	98,948
FOREST	45,400	10,364
GRANT	143,700	38,007
GREEN	79,800	32,683
GREEN LAKE	25,700	16,368
IOWA	47,000	20,070
IRON	34,800	7,407
JACKSON	48,500	9,487
JEFFERSON	83,000	46,996
JUNEAU	65,800	23,341
KENOSHA	1,439,300	183,100
KEWAUNEE	50,400	8,118
LA CROSSE	263,400	93,473
LAFAYETTE	37,900	9,238

	A.	B.
County	CY/PY 2006 Medicaid Transportation For IM Cases	CY/PY 2006 TANF Eligible (W2) & MA Eligible (Non W2) Funeral/Cemetery
LANGLADE	143,200	28,328
LINCOLN	25,600	17,473
MANITOWOC	84,000	59,223
MARATHON	126,000	73,080
MARINETTE	164,300	38,160
MARQUETTE	78,300	12,741
MENOMINEE	12,500	1,228
MILWAUKEE	8,899,600	1,254,652
MONROE	178,900	31,176
OCONTO	76,900	25,959
ONEIDA	77,000	25,095
OUTAGAMIE	80,200	60,504
OZAUKEE	11,100	21,607
PEPIN	49,500	5,468
PIERCE	72,700	11,121
POLK	76,800	52,615
PORTAGE	120,700	63,282
PRICE	117,600	25,387
RACINE	142,400	200,398
RICHLAND	46,900	19,091
ROCK	152,300	173,101
RUSK	95,900	29,903
SAUK	82,600	83,352
SAWYER	97,700	23,860
SHAWANO	49,900	34,530
SHEBOYGAN	43,100	62,984
ST. CROIX	77,700	23,024
TAYLOR	126,900	13,874
TREMPEALEAU	104,800	44,944
VERNON	23,300	20,805
VILAS	20,600	16,515
WALWORTH	160,100	44,654
WASHBURN	163,900	19,974
WASHINGTON	43,100	55,739
WAUKESHA	77,700	63,953
WAUPACA	149,900	66,639
WAUSHARA	97,200	14,048
WINNEBAGO	58,700	151,646
WOOD	123,900	54,867

	A.	B.
County	CY/PY 2006 Medicaid Transportation For IM Cases	CY/PY 2006 TANF Eligible (W2) & MA Eligible (Non W2) Funeral/Cemetery
County Total	\$18,121,700	\$4,538,944

	A.	B.
Tribe	CY/PY 2006 Medicaid Transportation For IM Cases	CY/PY 2006 TANF Eligible (W2) & MA Eligible (Non W2) Funeral/Cemetery
BAD RIVER	43,600	2,297
FOREST CO POTAWATOMI	5,900	500
LAC DU FLAMBEAU	41,100	6,040
ONEIDA TRIBE	9,700	751
RED CLIFF	56,700	500
SOKAOGON	18,800	500
STOCKBRIDGE- MUNSEE	3,500	667
Tribe Total	\$179,300	\$11,255
Statewide Total	\$18,301,000	\$4,550,200

ATTACHMENT 2

A. Public Assistance Fraud – Program Integrity – CY/PY 2006.

B. Public Assistance Fraud – Investigation – CY/PY 2006.

	A.	B.
County	CY/PY 2006 PA Fraud – Program Integrity Allocation (Minimum Funding = \$2,000)	CY/PY 2006 PA Fraud – Investigation Contract Budgeted Funds
ADAMS	7,000	1,161
ASHLAND	7,000	1,161
BARRON	10,500	8,705
BAYFIELD	5,000	1,161
BROWN	31,000	82,410
BUFFALO	2,000	1,161
BURNETT	3,000	1,161
CALUMET	3,000	1,161
CHIPPEWA	14,000	5,804
CLARK	7,500	1,741
COLUMBIA	9,500	3,772
CRAWFORD	5,000	2,321
DANE	43,500	11,607
DODGE	2,000	4,643
DOOR	2,000	1,161
DOUGLAS	20,000	14,509
DUNN	2,000	6,964
EAU CLAIRE	21,000	27,857
FLORENCE	2,000	1,161
FOND DU LAC	13,200	27,857
FOREST	2,000	1,161
GRANT	2,000	1,161
GREEN	2,000	1,161
GREEN LAKE	3,500	2,902
IOWA	2,000	2,321
IRON	2,000	1,161
JACKSON	2,000	2,321
JEFFERSON	8,660	1,161
JUNEAU	2,000	1,741
KENOSHA	25,570	58,035
KEWAUNEE	5,000	1,741
LA CROSSE	17,680	11,607
LAFAYETTE	6,000	1,161
LANGLADE	2,000	1,161

	A.	B.
County	CY/PY 2006 PA Fraud – Program Integrity Allocation (Minimum Funding = \$2,000)	CY/PY 2006 PA Fraud – Investigation Contract Budgeted Funds
LINCOLN	3,000	1,161
MANITOWOC	11,400	2,902
MARATHON	17,100	23,214
MARINETTE	18,000	29,018
MARQUETTE	2,000	1,741
MENOMINEE	7,000	1,161
MILWAUKEE	335,150	58,035
MONROE	12,000	4,643
OCONTO	3,000	13,058
ONEIDA	5,000	5,804
OUTAGAMIE	12,000	34,821
OZAUKEE	6,000	1,161
PEPIN	2,000	1,161
PIERCE	5,000	1,161
POLK	9,000	4,643
PORTAGE	14,000	20,893
PRICE	3,500	1,161
RACINE	54,000	58,035
RICHLAND	9,000	1,741
ROCK	25,500	20,312
RUSK	3,000	1,161
SAUK	15,000	1,161
SAWYER	7,000	8,125
SHAWANO	6,100	6,964
SHEBOYGAN	13,500	14,509
ST. CROIX	7,000	8,705
TAYLOR	2,000	1,161
TREMPEALEAU	5,000	1,161
VERNON	2,000	1,161
VILAS	2,000	1,161
WALWORTH	12,000	8,705
WASHBURN	6,000	3,482
WASHINGTON	9,500	1,161
WAUKESHA	26,000	76,606
WAUPACA	18,000	1,741
WAUSHARA	7,000	1,741
WINNEBAGO	28,000	2,321
WOOD	14,500	2,321

	A.	B.
County	CY/PY 2006 PA Fraud – Program Integrity Allocation (Minimum Funding = \$2,000)	CY/PY 2006 PA Fraud – Investigation Contract Budgeted Funds
COUNTY TOTAL	\$ 1,029,860	\$ 725,440

	C.	D.
Tribe	CY/PY 2005-06 PA Fraud – Program Integrity Allocation (Minimum Funding = \$2,000)	CY/PY 2005-06 PA Fraud – Investigation Contract Budgeted Funds*
BAD RIVER	4,000	1,161
FOREST CO POTAWATOMI	2,000	1,161
LAC DU FLAMBEAU	4,800	1,161
ONEIDA TRIBE	3,400	1,799
RED CLIFF	4,800	1,161
SOKAOGON	5,700	1,161
STOCKBRIDGE-MUNSEE	4,900	1,161
TRIBE TOTAL	\$ 29,600	\$ 8,765
STATEWIDE TOTAL	\$ 1,059,460	\$ 734,205

ATTACHMENT 3

MODEL

**CHAPTER 49 PUBLIC ASSISTANCE
FRAUD PLAN FOR 2006**

for

_____ **County/Tribal Agency**

(Name of Agency)

PUBLIC ASSISTANCE FRAUD PLAN Table of Contents

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INTRODUCTION

The Public Assistance Fraud Program is designed to provide program integrity for the Public Assistance Programs, including FoodShare (FS), Medical Assistance (MA) and Wisconsin Works (W-2) programs. These programs are administered through contractual agreements between the Department of Health and Family Services (DHFS) and by agreement with the Department of Workforce Development (DWD), and local administrative agencies.

Each agency administering public assistance programs is responsible for providing program integrity for the programs administered by that agency. The DWD W-2 contracts contain the policies and procedures to provide program integrity for W-2 programs. The DHFS State/County Contracts Appendix AL and State/Tribal Contracts, Appendix B, Administration of Income Maintenance (IM) Programs contains the requirement to provide integrity for the FS and MA programs administered by IM agencies.

A Memorandum of Understanding between DWD and DHFS assigns the responsibility for fraud investigation services to the county or tribal IM agency. For cost effectiveness and efficiency, fraud investigation services are to be completed by a single provider for both W-2 and IM agencies in designated geographic areas.

For IM agencies administering FS and MA programs through the 2006 State/County or State/Tribal Contracts, the Public Assistance Fraud Program consists of two specific areas of administrative requirements.

A. Program Integrity (PI)

Program Integrity consists of two components:

1. Fraud Prevention Functions.
2. Fraud Administrative Functions, which includes all other fraud administrative activities except fraud investigation services.

As part of the Public Assistance Fraud Program requirement, all IM agencies must plan to conduct Fraud Prevention and Fraud Administrative functions to comply with Section XXIV of the State/County Contract, Appendix AL or the State/Tribal Contract, Appendix B. This includes all pre and post-investigation activities. Activities include actions such as selecting cases for referral for fraud investigation, forwarding cases to the service provider, submitting cases to the Division of Hearings and Appeals for Administrative Disqualification Hearings, referring cases to the District Attorney's office for prosecution, performing fraud collections activities, etc.

B. Fraud Investigation Services (INV)

Fraud Investigation Services are completed in accordance with the pay-for-performance standards described in Attachment D of this Model Fraud Plan and need to comply with Section XXV of the State/County Contract, Appendix AL and State/Tribal Contract, Appendix B.

IMPORTANT NOTICE FOR 2006

Since 1998 the state has contracted with an investigative service provider to provide fraud investigation services for agencies that chose to use this state-contracted provider. The state contract expires on December 31, 2005. DHFS has made a decision to forego the use of a state-contracted fraud investigation provider for 2006. DHFS is working with

the Income Maintenance Advisory Committee to assess this program and to make improvements to this program for 2007. As a result, each local IM agency (county and tribal) will be responsible for administering fraud investigation services. Each local IM agency may decide to administer the program internally, or to subcontract with another entity for fraud investigations

CY/PY 2006 FRAUD PLAN

All IM agencies administering FS and MA programs must file a Fraud Plan with the Department of Health and Family Services (DHFS), Division of Health Care Financing (DHCF), Bureau of Eligibility Management (BEM). The fraud plan is required by State and Federal regulations and policies, by state/county and state/tribal contractual requirements, and for claiming federal matching reimbursement of administrative costs for the public assistance programs.

This document provides a model for the required 2006 Fraud Plan. Included in the model are policies, instructions, and attachments containing relevant materials from manuals and policy memos, which provide direction and guidelines for the administration of a county/tribal public assistance fraud program.

Agencies using this model for their Fraud Plan are required to complete:

1. The Program Component Staffing Level Worksheet on page 9.
2. The Administrative Cost Sheet on page 12.
3. The signature page on page 14.
4. All relevant attachments from the list on page 7.

Agencies with a more detailed or complex plan for which this model is not compatible, or that subcontract any of the program activities, must ensure that the fraud program requirements are included in their revised plan and any service provider contracts as appropriate.

Agencies contracting with DWD and DHFS are responsible for administration of their portion of the fraud program activities and require the parties with whom they subcontract to adhere to all state and federal statutes, regulations, rules, and policies.

The 2006 Model Fraud Plan is in a "fill able fields" format so that all the requested information can be entered electronically; without having to print a paper copy first.

Agencies must have their completed Calendar Year 2006 Fraud Plan submitted by January 20, 2006. Questions or issues regarding the annual fraud plan and budget, and submission of plans must be sent to:

Wisconsin Department of Health and Family Services
Attn: Charles Billings, Room 355
P.O Box 309
Madison, WI 53701-0309
Telephone: (608) 266-9246
FAX: (608) 261-6758
E-mail: billict@dhfs.state.wi.us

I. ADMINISTRATIVE REQUIREMENTS AND RESPONSIBILITIES

A. Program Integrity

1. Fraud Prevention Services

- a. Comply with the requirements and guidelines for the operation of a prevention program, including.
 - 1) Develop a written policy and referral process to be used to administer the prevention program
 - 2) Develop a written procedure for determining which cases will be selected for referral to the prevention program service provider
 - 3) Validate the selection criteria for the prevention program periodically to ensure the selection criterion is error-prone
- b. Complete CARES screens BVIR, BVIT, BVPI, and BVCC on all cases referred to the prevention program.
- c. Ensure that contracted prevention program service providers meet the Wisconsin Department of Regulation and Licensing requirements for private detectives.
- d. Use the fraud prevention standard expectation of a 30 percent targeted success rate for program planning.
- e. Complete all prevention activities within the recommended timeframe.

2. Fraud Administrative Functions

- a. Pursue appropriate administrative actions on all cases referred for prevention or investigation.
- b. Pursue appropriate Program Integrity actions on all cases referred to the fraud program to obtain a full repayment of the overpayment.
- c. Complete CARES screens BVIR, BVIT, BVPI and BVCC on all cases referred to the fraud program, reporting the case disposition activities and claims amounts.
- d. Implement the FS program disqualification penalties provided by Section 6(b) of the Food Stamp Act of 1977 by agency administrative imposition of the penalties and through the recommendation to the District Attorney for court imposition of the penalty.
- e. Provide to service providers the appropriate information as stated in DWD/DHFS manuals and communication releases needed for prevention and investigation activities, prosecution activities by a District Attorney's Office or County/Tribal Courts, and the collection of fraudulently obtained overpayments in the public assistance programs.

- f. Refer cases of suspected public assistance fraud to the appropriate service provider responsible for the prevention, investigation, prosecution, and collection of overpayments activities.
- g. Develop an understanding or written agreement with the local District Attorney's Office or County/Tribal Courts identifying the conditions and criteria under which a referral for prosecution shall be made, including documentation and format requirements.
- h. Provide testimony in court, administrative hearings, and such other situations as necessary for the prosecution of allegations of public assistance fraud.

B. Fraud Investigation Services

- 1. Develop written agreements with other agencies as necessary for services to be provided to conduct the Fraud Investigation program.
- 2. Conduct investigations of all allegations of public assistance fraud referred by the W-2 and IM agencies.
- 3. Develop a work plan for all case investigations and producing documentation according to the guidelines of the District Attorney's office for use in case prosecutions.
- 4. Provide the W-2 or IM agencies with a written report on all cases referred from each agency, citing the investigative activities, documentation, findings, actual administrative costs, and the recommendation for investigative disposition.
- 5. Provide testimony in court, administrative hearings, and such other situations as necessary for the prosecution of allegations of public assistance fraud.
- 6. Maintain and provide to DHFS, W-2 and IM agencies, such records as are necessary to meet state and federal reporting requirements.
- 7. Cooperate with the agencies responsible for the investigation referrals, prosecution of public assistance fraud, and the collections of any overpayments. Maintain investigative records appropriate to meet the needs of those agencies to successfully complete the disposition of investigated cases.
- 8. Collect and provide to DHFS, information necessary to develop, test, and implement additional fraud control activities.
- 9. Comply with all policies, procedures and guidelines incorporated in the Fraud Plan through the IM/W-2/Fraud Investigation contracts and Income Maintenance Manual. Where the agency subcontracts any portion of the fraud program to another agency, it retains responsibility for assuring that all subcontractors are aware of and comply with the Plan's requirements. DHFS may develop manual materials pertaining to the Wisconsin Chapter 49 Fraud Elimination Program. Such manual material replaces and supersedes the contents of the model Fraud Plan.

C. Required Attachments

As part of the fraud plan requirements, each agency needs to submit as attachments all of the following items that apply:

1. The position descriptions for all IM agency/office staff whose duties include public assistance fraud activities. (See Attachment A for an example of a recommended position description.)
2. A copy of the agency's fraud prevention program description, including referral forms, referral criteria (error-prone profile), and program policy/procedure documents.
3. A copy of the agency's fraud investigation program description, including its final report form, documentation criteria, and program policy/procedure documents.
4. An organizational chart showing the agency's fraud staff and contracted service providers, including the number of public assistance fraud full time equivalent (FTE) staff performing public assistance fraud activities. (See Attachment C for model of organization chart.)
5. A list of all agency fraud staff needing access to the Fraud Investigation Tracking Screens (FITS) in CARES. Suggest including this item with #4.
6. A copy of all contracts the agency has with fraud program service providers.
7. A copy of the Prosecution's Referral Agreement or a statement as to why there is no written Prosecution Agreement.

II. PROGRAM COMPONENT STAFFING

The program component staffing identifies agency personnel responsible for the supervision of each program component administered by the agency.

A. Supervision of Program Component

The plan needs to identify the name and job title of the agency personnel responsible for supervising each program component. Complete the program component staffing level worksheet on page 15 by inserting the name and job title of the person supervising each fraud program component.

B. Identification of Program Staff FTE

The plan also needs to identify the number of agency FTE participating in each component of the fraud program. Complete page 15 by inserting the FTE amount allocated to each component.

C. Gatekeeper

Identify the agency staff member(s) responsible for the fraud program gate keeping functions including the approving of fraud program referrals, accepting completed investigations, and determining appropriate fraud case dispositions.

D. Completing the Program Component Staffing Level Worksheet

INSTRUCTIONS FOR COMPLETING THE PROGRAM COMPONENT STAFFING LEVEL WORKSHEET

Note: Fraud Prevention Services, also known as Front-End Verification (FEV), are Program Integrity activities directly associated with the enhanced verification of cases. Such cases are referred to the Prevention Program based on meeting the referral criteria of the agency's error-prone profile. Fraud Administration and AMSO are include in Program Integrity, but are separate from Fraud Prevention.

All IM agencies administering IM programs are to complete Parts A, B, and C. In Part A identify the name and position of the individual who has the agency's gatekeeping responsibility. Also include the name and position of the individual who has supervisory responsibility for the prevention functions and the agency's FTE for the fraud prevention functions. Full- time equivalence (FTE) is a percentage calculation of staff time. For example, a full time staff assigned to work Public Assistance Program Integrity activities 10 percent of the time (approximately 200 hours during a year), has a 0.10 FTE calculation. These FTE totals should be based on the individual position FTE figures identified in the agency's fraud program organizational chart. Determine the FTE count for both Fraud Prevention and Fraud Administrative Functions and enter the total count in each designated area. The FTE amounts should be for IM agency staff time. Do not include non-IM agency service provider staffing.

In Part B identify the name and position of the individual who has the agency's supervisory responsibility for the fraud investigation functions and the agency's FTE for the fraud investigation functions.

In Part C total the FTE amounts from both Part A and Part B.

Contact Charles Billings, at (608) 266-9246 for technical assistance with completing this document if needed.

PROGRAM COMPONENT STAFFING LEVEL WORKSHEET

Agency Name: _____

Mailing Address: _____

City/Zip: _____

Telephone: (____) _____ - _____ Fax: (____) _____ - _____

E-mail Address: _____

PROGRAM ADMINISTRATION:

PART A PROGRAM INTEGRITY ADMINISTRATION

a) Description of Service:	Fraud Administrative Functions
b) Agency Gatekeeper:	Name: Job Title:
c) Full Time Equivalence (FTE) of Fraud Administrative staff.	_____ FTE count
a) Description of Service:	Fraud Prevention Services(FEV)
b) Supervisor:	Name: Job Title:
c) Full Time Equivalence (FTE) of Program Integrity staff.	_____ FTE count

PART B FRAUD INVESTIGATION SERVICES

a) Description of Service:	Investigation Services
b) Supervisor:	Name: Job Title:
c) Full Time Equivalence (FTE) of Investigation staff.	_____ FTE count

PART C TOTAL

Total Full Time Equivalence (FTE) of fraud program staff. Part A + Part B	_____ FTE count
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III. ADMINISTRATIVE COSTS

The administrative cost section identifies the funding amounts an agency is budgeting for Public Assistance Fraud purposes. The allocation consists of fixed state funds and federal matching funds to the state money. The allocation needs to be split between Fraud Prevention and Fraud Administrative functions. IM agencies determine the split and enter budget amounts on the Administrative Cost Sheet on page 12.

The administrative costs for Program Integrity will be reimbursed at 100 percent up to the allocation amounts in Attachment 2 of this Administrator's Memo. IM agencies can

obtain additional federal matching funds at 50 percent for FoodShare and Medical Assistance when additional local costs beyond the state allocated amounts are incurred.

The administrative costs for Fraud Investigation will be reimbursed at 100 percent up to a maximum of \$500 per case. The total available funding for Fraud Investigation is the allocation amounts in Attachment 1 of this Administrator's Memo. IM agencies can obtain additional federal matching funds at 50 percent for FoodShare and Medical Assistance when additional local costs beyond the state allocated amounts are incurred.

All IM agencies need to complete part A and B of the Administrative Cost Sheet on page 12.

All state funding will be limited to the maximums in Attachment 2 of this Administrator's Memo and are subject to change based on the availability of funding.

The administrative costs associated with Part B are based on the investigation service pay-for-performance contract subject to the terms and conditions of the fraud services contract agreement. County/Tribal agencies' costs beyond the state's funding limit will be federally reimbursed at the 50 percent rate for eligible FS and MA. The State/County Contract details the reimbursement of expenses beyond the State fraud investigation service agreement. TANF fraud administrative costs are not eligible for federal match funding.

A. Reimbursement for IM Program Integrity Administration

1. Fraud Prevention (FEV) Program

The administrative costs of the county/tribal IM agencies' Public Assistance Fraud Prevention must be reported on the CARS system. County agencies need to report these expenses on CARS profile line 749. Tribal agencies report on CARS profile line 66401.

2. Program Integrity Administration

Program Integrity Administration costs that include pre-investigation, as well as post-investigation activities, including fraud overpayment collections, must be reported on CARS profile line 748. Tribal agencies report on CARS profile line 66401.

3. AMSO Costs

The indirect administrative costs of the county IM agencies' Public Assistance Fraud Program must be reported on the CARS system. Agencies need to report on CARS profile line 747. Tribal agencies report on CARS profile line 66401.

B. Reimbursement for Fraud Investigation Services

The administrative costs for investigation agencies will be reimbursed at the rate of 100 percent for allowable costs up to the limitations established in each agency's Fraud Investigation contract. One-hundred percent reimbursement is available for the actual cost up to a maximum of \$500 per referral. All state funding will be subject to a projected contract maximum allocation set for each geographic area.

Administrative costs for Fraud Investigation Services must be reported to the State through CARES. Costs need to be entered into the CARES system through the Fraud Investigation Tracking Sub-system (FITS). The agency making the referral and approving the case as completed enters the cost into CARES, screen BVIT.

Additional costs beyond the state's contracted maximum will be passed through for federal reimbursement at the 50 percent rate for FS and MA, with the additional match costs covered by local agency funding.

C. Completing the Fraud Administrative Cost Sheet

Instructions for completing the Fraud Administrative Cost Sheet:

1. The "Income Maintenance (IM) Programs" sections, Part A, should be completed only by agencies that are administering the IM programs.
2. Fraud Prevention (FEV) Budget section of Part A is the amount of administrative funding budgeted to cover the costs of performing prevention activities.
3. Any subcontract between the agency and a service provider to perform prevention services should be included in the prevention budget lines.
4. "Program Integrity Administration Budget" section of Part A is the total amount of administrative funding budgeted to cover all administrative costs associated with any Program Integrity activities, except those budgeted for performing prevention activities and Fraud Investigation services.
5. "Local Allocation" is the amount of local agency expected funding to be spent in CY 2006 by the agency in excess of the state and federal allocation and/or contract projected amounts for Fraud Investigations.
6. "Federal Match to Local Allocation" is the additional federal funding that may be earned through the local agencies' expenditure. This federal funding match is available at a 50 percent rate only for the FoodShare and Medical Assistance expense portion of each investigation's cost over \$500. This federal match is not available for W-2 or ChildCare programs.
7. The sum of these three sources of funding should equal the planned expenditures for implementing the Public Assistance Fraud Program in CY 2006.
8. Part B is to be completed by IM agencies administering fraud investigation services. For CY/PY 2006 that includes all IM agencies.
9. Complete Part B using the same instructions as for Part A above.
10. Tribes with a Tribal TANF Program should not include TANF activities in their budget or cost reporting.

Fraud Administrative Cost Sheet

ADMINISTRATIVE COST SHEET		
PART A		
INCOME MAINTENANCE (IM) PROGRAM INTEGRITY		
Fraud Prevention (FEV) Program		
State and Federal Allocation:	\$	
Local Allocation:	\$	
Federal Match to Local Allocation:	\$	
Sub-Total for Prevention:	\$	
Program Integrity Administration		
State and Federal Allocation:	\$	
Local Allocation:	\$	
Federal Match to Local Allocation:	\$	
Sub-Total for Program Integrity:	\$	
Total IM Fraud Budget:		\$
PART B		
FRAUD INVESTIGATION SERVICE		
State and Federal Contract Projection:	\$	
Local Allocation:	\$	
Federal Match to Local Allocation:	\$	
Total Fraud Investigation Budget:		\$
TOTAL FRAUD BUDGET:		\$

IV. SUB-CONTRACTING FOR FRAUD SERVICES

Where the county DSS/DHS or tribal IM agency contracts out for any of the fraud program activities, a separate written agreement must be made with the service provider. The written agreement must include the appropriate program requirements cited in Section I of the model plan, budget information cited in Sections II and III, and the use of contractual language similar to that cited in A – D below. As the primary contractor, the county DSS/DHS or tribal IM agency is responsible for the performance of its subcontractors, including meeting of fraud program standards. Agencies can request a copy of the model service provider contracts and agreements from Charles Billings using the contact information below.

A. Contracting for Fraud Investigation Services Model

This model is designed for use when the agency elects to sub-contract Fraud Investigation Services outside the local agency. It includes the obligations of the local agency and the contractor.

B. Contracting for Prevention Services Model

This model is designed for use when the agency elects to sub-contract to provide prevention/front end verification services outside the local agency. It includes the obligations of the local agency and the contractor.

C. Contracting with the Sheriff Model

This model is designed for use when the agency elects to sub-contract Fraud Investigation Services with the Sheriff. It includes the obligations of the local agency and the Sheriff.

D. Memorandum of Understanding Model for Prosecution

This model is designed for use when the agency and the local County District Attorney or tribal Court agree on the conditions under which a referral for prosecution for violations of public assistance programs in Wis. Stats. Chapter 49 shall be made.

To obtain a paper or electronic copy of the model agreement(s), contact:

Charles Billings
Department of Health and Family Services
Bureau of Eligibility Management, Room 355
P.O. Box 309
Madison, WI 53701-0309
Telephone: 608-266-9246
Fax: 608-261-6861
Email: billict@dhfs.state.wi.us

V. SIGNATURES

The Agency Director or designee is required to sign the Fraud Plan and provide the following information listing the Fraud Unit Manager/Supervisor and contractor(s).

Agency Name

Director Name

Mailing Address

City/Zip

Telephone: _____ Fax: _____

E-mail Address: _____

_____ Director's Signature
--

Program Integrity/Fraud Unit Manager/Supervisor:

Agency Name

Fraud Unit
Manager/Supervisor

Mailing Address

City/Zip

Telephone: _____ Fax: _____

E-mail Address: _____

If agency is using a contractor, indicate the type of service (Prevention, Investigation), name and address. (If your agency does not use a contractor, enter "Not applicable".)

Service Contractor Provider: _____

Contractor

Director/Owner

Mailing Address

City/Zip

Telephone: _____ Fax: _____

ATTACHMENT A

FRAUD FUNDED MODEL POSITION DESCRIPTION

Job Summary:

Under the direct supervision of the ESS Supervisor, this position shall function as the agency's Front-End Verification (FEV) Specialist and as its Public Assistance Investigator. In addition, it shall be responsible for other error reduction activities.

Position Responsibilities

40% A. Front-End Verification Specialist

1. Maintain a log of all FEV referrals made by ES staff.
2. Determine if the referral meets the agency's error-prone profile.
3. Identify what error-prone elements are involved in the referral and determine what verification action is needed.
4. Conduct the FEV investigation within the agency's specified time frame.
5. Document all investigation findings.
6. Report investigation findings to the ESS/ES Supervisor.
7. Testify at court/administrative hearings regarding the investigation and its findings.
8. Complete all records required for local, state and federal record keeping and reporting requirements.

40% B. Public Assistance Investigator

1. Maintain a log of all fraud referrals made by IM staff and other referral sources.
2. Conduct preliminary case review to determine nature and type of potential fraud.
3. Return cases which don't pass the review to the ESS Supervisor for reconsideration.
4. Open an investigative file on cases which pass the preliminary review and draw up an investigation plan.
5. Conduct investigation.
6. Document all investigation findings.
7. Report findings to the ESS Supervisor and recommend further action to be taken.
8. Set up prosecution files for cases being referred to the District Attorney (DA).
9. Testify at court/administrative hearings regarding the investigation and its findings.
10. Complete all records required for local, state and federal record keeping and reporting requirements.

20% C. Error Reduction Programs

1. Perform targeted case reviews.
2. Monitor case directory "tickler system."
3. Monitor IEVS completion and resolution.
4. Perform random case reviews.

Note: The above model PD is for a position doing 80 percent fraud funded activities and 20 percent IM administration activities

ATTACHMENT B

CONTRACTED INVESTIGATION SERVICES

References:

WI Stat. 440.26

Administrative Code Chapter RL 30, 31, 32, 33, 34 and 35

Commercial agencies which contract with counties to provide investigative services for either FEV or for Public Assistance Fraud Investigations are subject to the Wisconsin Statute and Administrative Code requirements for private detectives. These requirements do not apply to off-duty law enforcement officers or public officers performing official duties, including law enforcement officers. Private individuals, including former law enforcement officers, must meet these requirements. See DES Administrator's Memo 90-39.

Counties deciding to contract with private agencies or individuals for investigative services need to obtain a copy of WI Statute 440.26 and Administrative Code Chapter RL 30, and require that the individual meet the private detective requirements for licensure, training and liability.

ATTACHMENT C

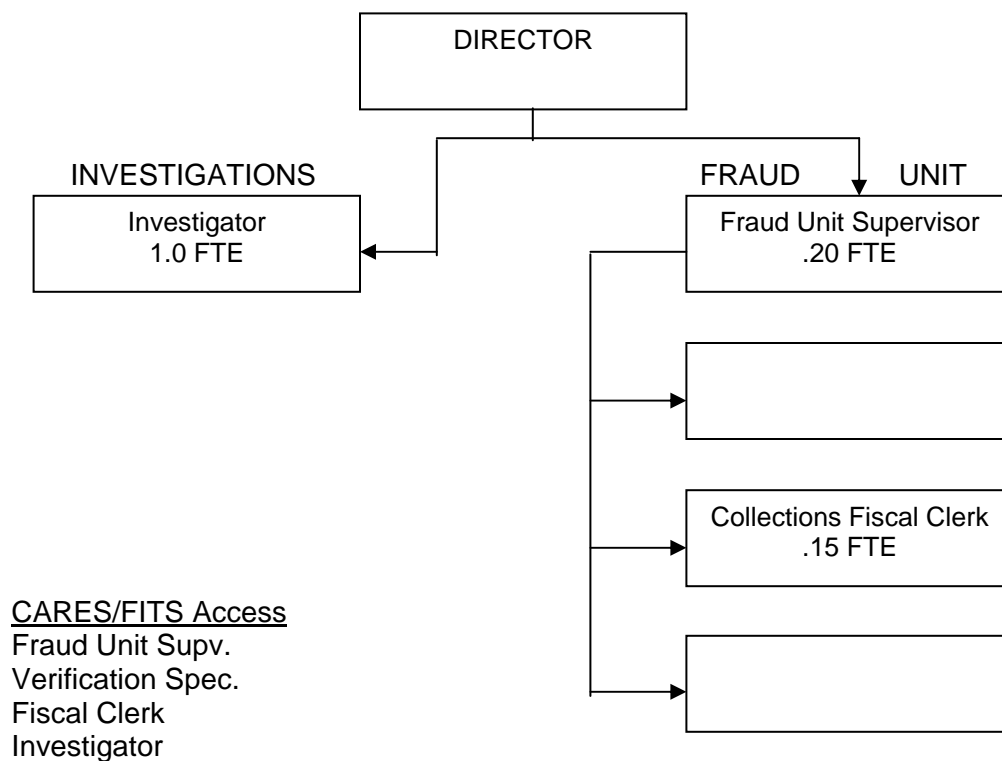
MODEL ORGANIZATIONAL STRUCTURE

A model fraud program "organizational chart" including the following information:

1. Reporting relationships;
2. Program areas;
3. Position titles;
4. FTE; and
5. Incumbent's name.

The agency must list all persons authorized to access the CARES/FITS screens.

Agency Fraud Program Organization



ATTACHMENT D

FRAUD INVESTIGATION STANDARDS

Investigation Documentation

The following are the minimum required investigation documentation standards of the investigation agency:

1. The investigation service provider must provide the referral agency with a written investigation report for every completed investigation.
2. The investigation report must document information in a logical sequence that incorporates **Who, What, When, Where, Why**, and **How** in the body and substance of the investigative findings.
3. The investigation report must address the specific allegation findings requested in the referral from the requesting agency.
4. Every investigation report must contain the following information:
 - a. Identification of the Client/Contact person and verification of identity provided, e.g., photo ID, drivers license).
 - b. Relationship of the contact person to the client.
 - c. Written interview(s) with the contact person obtaining all relevant information and documentation.
 - d. Summary of the Investigator's findings.
5. All completed investigations must contain a summary conclusion having a recommendation to the referral agency to do one of the following;
 - a. Proceed with a case for administrative disposition.
 - b. Proceed with a case that meets the criteria for prosecution established by the local District Attorney's office and recommend the prosecutorial process be initiated, but may be subject to administrative sanction, recoupment or repayment.
 - c. Return the case to the referring agency with the determination that the fraud allegation was not substantiated.
6. When requested by the referring agency, the investigation report must address the minimum criteria specified by the District Attorney's guidelines for fraud referrals for prosecution.

1.6 Timeliness of Investigations

Contractors must perform a satisfactory investigation as defined in Section 1.5 based on the case referral within the established time frame noted below in this section.

1. The time period from the date of the fraud referral by the W-2 agency to the date the fraud investigator's final report is delivered to the W-2 agency must be 90 calendar days or less.

2. Investigations that exceed this 90 calendar day time frame will be out of compliance unless additional time is requested and approved. For such cases the investigating service provider will request in writing from the referring agency an extension stating the reason for the delay. The request will be reviewed and returned to the investigating agency indicating approval or denial. Requests must be submitted in writing for approval by the 80th calendar day to the referring agency.

1.7 Satisfactory Investigations

A satisfactory completed investigation is determined by, but not limited to, the following factors:

1. Quality of the investigation report and findings addressing the issues of the fraud referral allegations.
2. Documentation of all essential elements of the investigation.
3. Factual and accurately reported data.
4. Timeliness (completion in 90 calendar days or within the agreed extended time frame.)

If it is determined by the referral agency that any of these factors are lacking, the report may be ruled unsatisfactory and referred back to the provider for corrective action.

Provider may exercise the option to bring any unresolved matter concerning reports or any issue related to performance to the attention of the DHFS for resolution.

ATTACHMENT 4

TESTING OF ERROR-PRONE CHARACTERISTICS

The prevention error-prone profile is not a static document. It is expected to change over time as the county or tribal conditions change. Changes to the profile may involve the deletion of those characteristics that no longer identify the primary error conditions or generate referrals. Profile changes may also involve the addition of new characteristics that identify current or new primary error conditions.

To test the validity of current or new error-prone case characteristics for possible inclusion in or removal from the agency's the error-prone profile, the following method for testing the validity of error-prone characteristics is recommended.

Develop a worksheet to record the number of referrals made for each characteristic in the agency's error-prone profile. See the sample below. It is suggested that the agency maintain this worksheet on a continuing basis. As each referral is completed, record on the worksheet if that referral was successful in identifying an error in the case. Compare the number of successful referral for each characteristic to the number of referral made based on the characteristic. The outcome is the characteristic's success rate. The standard for a valid prevention referral characteristic is 30%.

Agencies that have few referrals or have characteristics that generate few referrals will need to test the characteristics for a longer period of time to get a sufficient number of referrals to get a valid sample. It is recommended that a referral characteristic be retained until 10 or more referrals have been made to establish a valid success rate. However, a characteristic that generates no referrals over time should be eliminated from the profile unless the agency can justify its inclusion due to a seasonal applicability. For seasonal characteristics, the agency may use two or three seasons to collect validation data.

On a regular basis, we recommend yearly with the completion of the agency's annual Fraud Plan, the agency should review the data from its prevention referral worksheet. Those characteristics generating a reasonable number of referrals, and demonstrating error-prone results, should remain or become a part of the agency's error-prone profile.

SAMPLE VALIDATION WORKSHEET For FEV Referral Characteristics

FEV Characteristics From 1/1/04 to 12/31/04	Number of Referrals per Characteristic	Number with Errors Found from Referrals	Percentage of Successful Referrals (errors/referrals=)
Expenses exceed income	10	5	50% (a)
Recent interstate move to Co.	8	2	25% (b)
Previous IPV/fraud convictions	7	0	0% (c)
Landlord has same address	1	1	100% (d)
Apparent separation of convenience	0	0	0% (e)

Key:

- (a) Valid characteristic, retain on profile
- (b) Potential valid characteristic, retain and continue validation testing
- (c) Invalid characteristic, delete from profile

- (d) Questionable characteristic, too few referrals to demonstrate validity, retain and continue validation testing
- (e) Invalid characteristic, generates no FEV referrals, delete from profile

Column 1 – List of the referral characteristics and the time period the referrals were drawn from.

Column 2 – Total number of referrals in the selected time period for each characteristic.

Column 3 – Total number of errors/fraud found in the referrals for each characteristic, that affects case eligibility or benefits.

Column 4 – The success rate as a percentage for each characteristic.

For information about error-prone profiles and the validation process, and submission of the prevention referral criteria validation information should be submitted to:

Charles Billings
Department of Health and Family Services
Bureau of Eligibility Management, Room 355
P.O. Box 309
Madison, WI 53707-0309
(608) 266-9246
FAX (608) 261-6861
E-mail billict@dhfs.state.wi.us